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May 1, 2025

VIA UNITED STATES MAIL AND E-MAIL

Veronica Y. Lacey
Grant Officer
Department of the Navy
Office of Naval Research
875 North Randolph Street, Suite 1425
Arlington, Virginia 22203-1995
veronica.y.lacey.civ@us.navy.mil

Re: Grant Award N00014-2201-2844

Acknowledgment of Notice of Termination and Notice of Claim/Appeal

Dear Ms. Lacey:

My name is John Crone, and I represent Launch Alaska with regard to the above-referenced matter. Please submit all future correspondence accordingly. This letter both acknowledges receipt of your Notice of Termination dated April 30, 2025, and serves as a Notice of Claim or Appeal pursuant to DoD R&D General Terms and Conditions (September 2023), Part 5, Article IV.¹

Grant Award N00014-2201-2844 (hereinafter the "Award") specifically incorporates, as part of its terms and conditions, "DOD RESEARCH AND DEVELOPMENT GENERAL TERMS AND CONDITIONS (SEPT 2023)" (emphasis in original) (hereinafter the "General Terms and Conditions").²

The Agency's Notice of Termination, as a basis for termination, states the Award is "hereby terminated in its entirety as it no longer effectuates the program goals or agency

¹ This claim or appeal is properly presented as it asserts a "claim" as defined by 2 C.F.R. § 1108.80.

² Exhibit 1, Grant Award N00014-22-1-2844 dated September 27, 2022, Modification P00001, and Modification P00002.

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priorities set forth in SECDEF MEMO dated March 20, 2025." However, such notice provides no information as to *how* or *why* the Award no longer effectuates program goals or agency priorities. Indeed, Launch Alaksa has successfully administered the Award from September 27, 2022 through present and believes that the Agency's goals and priorities remain well served by the Award.

Launch Alaksa is otherwise unable to discern and respond to the Agency's contention as no substantive reasons for the termination were provided. This is insufficient given Launch Alaska's past performance and reliance on continued administration of the Award. It is Launch Alaska's position that the Notice of Termination therefore fails to comply with 2 C.F.R. §§ 200.340(a)(4) and 200.341(a). Failure to identify proper reasons for termination of the Award also violates the Administrative Procedure Act, which prohibits the Agency from acting in an arbitrary or capricious manner, and other provisions of federal law.

Thus, the basis cited by the Agency for termination of the Award fails to comply with applicable federal law, and Launch Alaska respectfully requests the Agency rescind the Notice of Termination dated April 30, 2025.

Please let me know if you have any questions, concerns, or require additional information, and Launch Alaska looks forward to your decision.

Best regards,

GORDON REES SCULLY MANSUKHANI, LLP

/s/ John R. Crone

John R. Crone

cc: Client JRC/dc